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Paul Schott Stevens, PRESIDENT

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August 31, 2007

The Honorable Barney Frank
Chairman
Committee on Financial Services
U.S. House of Representatives
2252 Rayburn House Office Building
Washington, DC 20515

The Honorable Spencer Bachus
Ranking Member
Committee on Financial Services
U.S. House of Representatives
2246 Rayburn House Office Building
Washington, DC 20515

The Honorable Jim Marshall
Member
Committee on Financial Services
U.S. House of Representatives
515 Cannon House Offices Building
Washington, DC 20515

The Honorable Peter Roskam
Member
Committee on Financial Services
U.S. House of Representatives
507 Cannon House Office Building
Washington, DC 20515

Re: H.Res. 552, "Calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China"

Dear Chairman Frank, Ranking Member Bachus, Congressman Marshall and Congressman Roskam:

I am writing to express the support of the Investment Company Institute (ICI)¹ for House Resolution 552 (H.Res. 552), "Calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China." The Institute supports your efforts to recognize the importance of access for U.S. financial services firms, including the U.S. mutual fund industry, to the Chinese market.

Reform of China's financial markets is important to our members for investment purposes as well as for the provision of asset management services. Specifically, we appreciate the inclusion of provisions in H.Res. 552 addressing measures that unnecessarily limit the manner in which U.S. asset managers can conduct their business in China. These provisions include language calling on the Chinese government to remove all foreign ownership caps on asset management firms and highlighting the limitations on foreign investment in Chinese A-share securities and on Chinese investments in foreign securities

¹ The Investment Company Institute is the national association of the U.S. investment company industry. The ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. ICI members include 8,806 open-end investment companies (mutual funds), 667 closed-end investment companies, 449 exchange-traded funds, and 4 sponsors of unit investment trusts. Mutual fund members of the ICI have total assets of approximately \$11.231 trillion (representing 98 percent of all assets of US mutual funds); these funds serve approximately 93.9 million shareholders in more than 53.8 million households.

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Chairman Barney Frank, Ranking Member Spencer Bachus,
Congressman Jim Marshall, Congressman Peter Roskam

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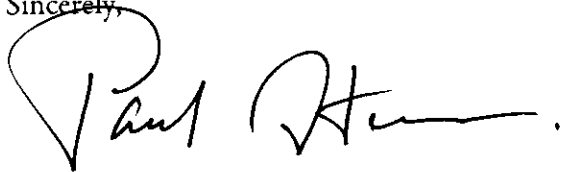
markets. We also appreciate inclusion of language in the Resolution calling on the Chinese government to fulfill its WTO and Strategic Economic Dialogue commitments relating to financial services.

The continued reform and opening of China's financial services sector is in the economic and political interest of both China and the United States. Fair and competitive access to China's markets, including financial services, has implications for U.S. economic growth and job creation. For China, a vibrant and competitive financial system is essential to a strong and productive economy and will be essential in helping China address its retirement challenges. We believe the U.S. mutual fund industry is uniquely positioned to assist in the development of a strong financial services market in China.

Thank you for considering the views of ICI on H.Res. 552. Please feel free to contact me directly at 202.326.5901 or Don Auerbach of the ICI staff at 202.326.5894 if you have any questions with regard to this or any other matter.

With very best regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul H. H. H. H." with a stylized, flowing script. The signature is written on a white background.